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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

IN RE:

Case No.: BK-S-10-29987-BAM

MAZZARA, MARTIN, and

Chapter 11

MAZZARA, LORI,

Debtor.

Date:

Time:

DEBTORS' PLAN OF REORGANIZATION, DATED FEBRUARY 14, 2011

ARTICLE I

SUMMARY

This Plan of Reorganization (the "Plan") under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") proposes to pay creditors of Martin and Lori Mazzara, (the "Debtors") from income from earnings. This Plan provides for 1 class of secured claims and one class of unsecured claims. This Plan also provides for the payment in full of administrative and priority claims.

All creditors and equity security holders should refer to Articles II through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security

holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

ARTICLE II

DEFINITIONS AND RULES OF CONSTRUCTION

The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

2.01 “Administrative Claim” means a Claim:

(a) that is entitled to allowance under Bankruptcy Code § 503(b), or which is otherwise entitled to priority pursuant to Bankruptcy Code § 507(a)(1); or

(b) required to be paid under Bankruptcy Code § 365(b), in connection with curing of defaults of assumed executory contracts and unexpired leases.

2.02 “Allowed Claim” means a claim, other than an Administrative Expense Claim, against the Debtor or the Estate to the extent that:

(a) A Proof of Claim with respect thereto was:

(i) timely filed pursuant to any order of the Bankruptcy Court;

(ii) or deemed filed pursuant to Bankruptcy Code § 1111(a); or

(iii) late filed after hearing on notice to Debtor and all Creditors and parties in interest and with leave of the Bankruptcy Court; and

(b) The Claim is not a Disputed Claim and no party in interest has filed an objection to such Claim in the Bankruptcy Case within the time prescribed by a Final Order of the Bankruptcy Court or within the time prescribed within this Plan, or if an objection to such Claim has been filed:

(i) The Claim is allowed by a Final Order; or

(ii) The Claim is allowed under this Plan.

2.03 “Allowed Equity Interest” means the common and preferred stock of the Debtor.

2.04 “Allowed Unsecured Claim” means an Unsecured Claim that is an Allowed Claim.

2.05 “Allowed Secured Claim” means a Secured Claim that is an Allowed Claim.

2.06 “Ballot” means the Ballot for accepting or rejecting this Plan in a form approved by the Bankruptcy Court.

2.07 “Ballot Date” means the last date determined by the Bankruptcy Court for the casting of Ballots.

2.08 “Confirmation Date” means the date the Confirmation Order is entered on the Bankruptcy Court's docket.

2.09 “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to Bankruptcy Code § 1129, entered on the Bankruptcy Court's docket.

2.10 “Disclosure Statement” means the written Disclosure Statement for this Plan that is approved by the Bankruptcy Court pursuant to Bankruptcy Code § 1125.

2.11 “Effective Date” means the eleventh business day following the date of the entry of the order of confirmation. But if a stay of the Confirmation Order is in effect on that date, the Effective Date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the Confirmation Order has not been vacated.

2.12 “Estate” means the estate created in the Reorganization Case by Bankruptcy Code § 541.

2.13 “Final Order” means an order, judgment or other decree of the Bankruptcy Court which has not been reversed, stayed, modified or amended and (i) as to which an appeal or certiorari proceeding that has been or may be taken has been finally resolved, or (ii) as to which

1 the time for appeal or certiorari proceeding has expired and as to which no appeal or petition for
2 certiorari is pending.

3 2.14 "Petition Date" means October 22, 2011, the date on which a petition for relief
4 under Chapter 11 of the Bankruptcy Code was filed commencing the Reorganization Case.

5 2.15 "Plan" means this Plan of Reorganization in the form filed by the Debtor and
6 amendments of supplements made thereto in accordance with the Bankruptcy Code.

7 2.16 "Priority Claim" means a claim entitled to priority pursuant to Bankruptcy Code §
8 507(a)(2)(7).

9 2.17 "Priority Tax Claim" means a claim entitled to priority pursuant to Bankruptcy
10 Code § 507(a)(8).

11 2.18 "Reorganization Case" means the Debtor's case under Chapter 11 of the
12 Bankruptcy Code which is currently pending before the Bankruptcy Court as Case No. 09-
13 24688-LBR.

14 2.19 "Reorganized Debtor" means Joseph and Darcy Yakubik., on and after the
15 Confirmation Date.

16 2.20 "Secured Claim" means a claim secured by a lien to the extent of the value of the
17 property of the Debtor or of the Estate securing such claim.

18 2.21 "Unsecured Claim" means any claim that is not a Secured Claim, a Priority
19 Claim, an Administrative Claim, or an Allowed Equity Interest.

20 ARTICLE II

21 CLASSIFICATION OF CLAIMS AND INTERESTS

22 2.01 Class 1. All Allowed Claims entitled to priority under § 507 of the
23 Bankruptcy Code (except Administrative Claims and Priority Tax
24 Claims).

ARTICLE IV

TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

4.01 Claims and interests shall be treated as follows under this Plan:

Class	Impairment	Treatment
Class 1 - Priority Claims	Unimpaired	Class 1 is unimpaired by this Plan, and each holder of a Class 1 Priority Claim will be paid in full, in cash, upon the later of the Effective Date, or the date on which such claim is allowed by a Final Order.
Class 2 – Allowed Secured Claim of Zion’s Bank, (609 China Doll Place, Henderson, NV)	Impaired	Class 2 the Allowed Secured Claim of Zions is impaired by this Plan. The value Zions’ secured claim is \$1,25,692.00, and the Class shall be paid as set forth below. The Debtor shall pay Zions 60 regular monthly payments of \$8,500 (which amount represents the original contract rate, including interest) following which the entire unpaid amount owing under the note will be due in full. Debtor may prepare at its option, in whole or in part, without penalty or premium, the then outstanding principal balance of the indebtedness under this claim, at any time during the course of the Plan.
Class 3 - General Unsecured Creditors	Impaired	All allowed Unsecured Claims will be paid by the Reorganized Debtor their Pro-Rata share of monthly installments equal to the Net Income for each plan year as set forth on Exhibit 2 to the Disclosure Statement. These payments are as follows: Year 1 - \$11,299; Year 2 - \$12,712; Year 3 – 12,904; Year 4 - \$13,074; and Year 5 – \$13,219. In addition the Payments will commence on the first day of the first month following the month in which the Effective Date occurs. Debtor may recover some ARE Money, which, if recovered, will be paid pro-rate to Allowed Unsecured Claimants upon receipt.

ARTICLE V

ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been

1 filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no
2 proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent,
3 or unliquidated.

4 5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on
5 account of a disputed claim unless such claim is allowed by a final non-appealable order.

6 5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to
7 settle and compromise a disputed claim with court approval and compliance with Rule 9019 of
8 the Federal Rules of Bankruptcy Procedure.
9

10 ARTICLE VI

11 PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

12 6.01 Assumed Executory Contracts and Unexpired Leases.

13 (a) The Debtor assumes the following executory contracts and/or unexpired
14 leases effective upon the Effective Date of this Plan:
15

16 (i) none.

17 (c) The Debtor will be conclusively deemed to have rejected all executory
18 contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, or before
19 the Confirmation Date, upon the Effective Date of this Plan. A proof of a claim arising from the
20 rejection of an executory contract or unexpired lease under this section must be filed no later
21 than sixty (60) days after the Confirmation Date.
22

23 ARTICLE VII

24 MEANS FOR IMPLEMENTATION OF THE PLAN

25 7.01 Employment of the Debtors. The Plan will be executed through the continued
26 employment of the Mr. Mazzara. After the Confirmation Date, the Reorganized Debtors shall
27 maintain and keep all assets in good repair, order and condition, shall maintain liability and
28 casualty insurance, shall file all tax returns and reports required by law or applicable regulations,

1 shall not take or permit to be taken by others under its direct or indirect control any action that is
2 inconsistent with the Plan or that would interfere with or prevent implementation of the Plan.
3 The Reorganized Debtor shall retain the service of such professionals as it deems necessary to
4 assist in the implementation of the Plan.

5 ARTICLE VIII

6 GENERAL PROVISIONS

7
8 8.01 Retention of Jurisdiction. The Bankruptcy Court shall retain jurisdiction to
9 implement and enforce the Confirmation Order and this Plan according to their terms, including
10 but not limited to:

- 11 (a) Allowance of compensation and other administrative expenses;
- 12 (b) Resolution of objection to claims;
- 13 (c) Resolution of all objections, conflicts, controversies or disputes arising out of
14 the sale of assets of the estate and to provide for additional time for sale of any assets if
15 necessary;
- 16 (d) Correction of any defect, omission or inconsistency in the Plan, of the
17 Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;
- 18 (e) Modification of the Plan in accordance with the provisions of Bankruptcy
19 Code § 1127;
- 20 (f) Resolution of all questions and disputes regarding title to property and
21 resolution of all causes of action, controversies, disputes or conflicts arising out of the Plan, the
22 Confirmation Order, or any other order issued with respect to the Plan, including, without
23 limitation, disputes arising out of the failure of the Reorganized Debtor, any creditor, or other
24 party in interest to perform obligations required under the Plan;
- 25 (g) Resolution of requests to close or reopen this case; and
- 26 (h) Assumption or rejection of executory contracts that are not discovered or
27 proved to be valid as against the Debtor prior to the Confirmation Date, and allowance of claims
28 for damages as to rejection of such executory contracts.

1 8.02 Headings. The headings in this Plan are for convenience only and shall not limit
2 or otherwise effect the provisions of this Plan.

3 8.03 Severability. If any provision in this Plan is determined to be unenforceable, the
4 determination will in no way limit or affect the enforceability and operative effect of any other
5 provision of this Plan.

6 8.04 Binding Effect. The rights and obligations of any entity named or referred to in
7 this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such
8 entity.

9 8.05 Controlling Effect. Unless a rule of law or procedure is supplied by federal law
10 (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of
11 Nevada govern this Plan and any agreements, documents, and instruments executed in
12 connection with this Plan, except as otherwise provided in this Plan.

13 8.06 Notices. All notices, payments and correspondence required or permitted by the
14 Plan, unless otherwise indicated, shall be either hand-delivered or mailed by first class United
15 States mail, postage prepaid, as follows:

16 (a) Debtor: Martin and Lori Mazzara
17 609 China Doll Place
18 Henderson, Nevada 89012

19 (b) Debtor's Counsel TIMOTHY S. CORY & ASSOCIATES
20 Lakes Business Park
21 8831 West Sahara Avenue
22 Las Vegas Nevada, 89117

23 (c) Other Parties At the addresses set forth on the mailing matrix
24 maintained in this case by clerk of the Bankruptcy
25 Court.

26 Notices shall be deemed given when hand-delivered or when mailed postage prepaid
27 through the United States Postal Service. Any address may be changed by sending written notice
28 of such change to all persons to be charged with knowledge of such address change.

1 8.07 Reservation of Rights. The filing of the Plan, any statement or provision
2 contained in the Plan, or any action by any party with respect to the Plan, shall not be considered
3 an admission against interest or a waiver of any rights, except as stated in the Plan as finally
4 confirmed. In the event the Plan is not confirmed, the Plan, any statement or provision contained
5 in the Plan may not be used or relied upon in any suit, action, controversy or other proceeding.

6 8.08 Right to Withhold Confirmation Order or Not to Proceed. If there are any
7 impediments or delays in confirming the Plan, the Debtor reserves the rights to withhold the
8 order confirming the Plan or proceed under the Plan until such time as the Plan has been
9 confirmed by the Court and the Effective Date under the Plan has passed.

10 8.09 Amount of Claims. All references to claims and the amounts of claims refer to
11 the amount of the Allowed Claim. Creditors holding claims which have been objected to and
12 which are not Allowed Claims prior to the Ballot Date shall not be entitled to vote on the Plan
13 unless, upon request of the Creditor, the Bankruptcy Court estimates such Claim for voting
14 purposes prior to the Ballot Date.

15 8.10 Time. In computing any period of time described or allowed by this Plan, the day
16 of the act, event or default from which the designated period of time begins to run shall not be
17 included. The last day of the period so computed shall be included, unless it is not a Business
18 Day, in which event, the period runs until the end of the next day which is a Business Day.
19 When the period of time prescribed or allowed is less than eight (8) days, intermediate days that
20 are not Business Days shall be excluded from the computation.

21 8.11 Confirmation by Cramdown. The Debtor may, at any time before the conclusion
22 of the hearing of confirmation, verbally move the Bankruptcy Court to confirm the Plan as a
23 "Cramdown" Plan as against a non-consenting class or classes of claims pursuant to Bankruptcy
24 Code § 1129(b). Any class that does not vote to confirm this Plan is deemed to have rejected the
25 Plan.

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ARTICLE IX

DISCHARGE

9.01 Discharge. Upon payment of all amounts due hereunder, the debtors will be discharged from any debt that arose before confirmation of this Plan, except that the Debtors will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure; or (iii) of a kind specified in § 1141(d)(6)(B).

Respectfully submitted,

By: 

Martin Mazzara

By: 

Lori Mazzara